



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE
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Alostar Bank of Commerce, Birmingham, Alabama, Assumes All of the Deposits of Nexity Bank, Birmingham, Alabama

Nexity Bank, Birmingham, Alabama, was closed today by the State of Alabama Banking Department, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with AloStar Bank of Commerce, Birmingham, Alabama, a newly-chartered bank, to assume all of the deposits of Nexity Bank.

The sole branch of Nexity Bank will reopen on Monday as a branch of AloStar Bank of Commerce. Depositors of Nexity Bank will automatically become depositors of AloStar Bank of Commerce. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits. Customers of Nexity Bank should continue to use their existing branch.

This evening and over the weekend, depositors of Nexity Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of December 31, 2010, Nexity Bank had approximately \$793.7 million in total assets and \$637.8 million in total deposits. In addition to assuming all of the deposits of the failed bank, AloStar Bank of Commerce agreed to purchase essentially all of the assets.

The FDIC and AloStar Bank of Commerce entered into a loss-share transaction on \$384.2 million of Nexity Bank's assets. AloStar Bank of Commerce will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit:

<http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-72-2011

Customers who have questions about today's transaction can call the FDIC toll-free at 1-877-367-2718. The phone number will be operational this evening until 9:00 p.m., Central Daylight Time (CDT); on Saturday from 9:00 a.m. to 6:00 p.m., CDT; on Sunday from noon to 6:00 p.m., CDT; and thereafter from 8:00 a.m. to 8:00 p.m., CDT. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/nexity.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$175.4 million. Compared to other alternatives, AloStar Bank of Commerce's acquisition was the least costly resolution for the FDIC's DIF. Nexity Bank is the 31st FDIC-insured institution to fail in the nation this year, and the first in Alabama. The last FDIC-insured institution closed in the state was First Lowndes Bank, Fort Deposit, on March 19, 2010.
